

On motion by Mr. Dumas, seconded by Mr. Briggs, the Board voted to accept the recommendation of the MRB to allow the disability retirement for Robert D. Lutz, Jr. with a one-year review. Mr. Johannesen abstained from the vote. The motion carried.

ITEM 3: Review/Act on FY '11 Actuarial Valuation

Mr. Driscoll presented the results of the actuarial valuation for the fiscal year ending June 30, 2011. The Board discussed the demographic changes. Mr. Driscoll explained the definition of inactive members.

(Ms. Duffy and Mr. Considine entered the meeting at this time.)

The Board discussed the assumptions from the last experience study. There was a discussion about the contributions. There was a discussion concerning the smoothing method. There was a discussion about the Select-and-Ultimate method, and the rate of return. There was a discussion about the unfunded liability. There was a discussion why the salaries were higher in spite of the 3.0% decrease in salaries. There was a discussion about amortization. Mr. Driscoll explained this was the first valuation using the new assumptions. There was a discussion about GASB. There was a discussion about the difference between the three retirement systems. Mr. Reardon explained how the budget is prepared. Mr. Reardon indicated he would be willing to do a budget presentation at the November meeting. Mr. Driscoll answered all of the Board's questions.

On motion by Mr. Dumas, seconded by Mr. Briggs, the Board unanimously voted to forward to the Governor the contribution recommendation of \$37,081,933 for FY ' 13 based on the FY '11 Actuarial Valuation report as presented by the actuary.

ITEM 4: Review 2011 OPEB Update

Ms. Manion provided a review of the *Report on the Actuarial Valuation of Post Retirement Benefits of the Vermont State Employees' Retirement System Prepared as of June 30, 2011* for Board discussion. There was a discussion about the demographics. There was a discussion about the adoption of the new assumptions. There was a discussion concerning adding children dependents up to age 26 to the health plan. There was a discussion concerning the funding for the health plan. There was a discussion concerning the reimbursement plan for drug coverage. There was a discussion about EGWP (Employer Group Waiver Plan) and EERP (Early Retiree Reinsurance Program). Ms. Pearce indicated that both VEHI and the State system were researching EGWP further. There was an indication the EGWP program would be difficult to administer.

ITEM 5: Discuss/Act on Emergency Withdrawal Request

The Board briefly discussed this item. It was the consensus of the Board to allow Ms. Pearce and Mr. Gaffney to act on the emergency withdrawal request.

(Mr. Driscoll, Ms. Manion, Mr. Rauh, Mr. Beatty, Ms. Pearce, Mr. Wisloski and Mr. Baker left the meeting at this time.)

ITEM 6: Review/Act on Disability Waiver Request for:

Joseph Goins

On motion by Mr. Briggs, seconded by Ms. Duffy, the Board voted unanimously to enter Executive Session at 10:25 a.m. pursuant to Title 1, § 313 for the purpose of discussing the disability retirement waiver of Joseph Goins.

(The Board exited Executive Session at 10:29 a.m.)

On motion by Mr. Reardon, seconded by Mr. Briggs, the Board unanimously voted to allow the disability retirement waiver for Joseph Goins to apply for a disability retirement to be reviewed by the MRB.

ITEM 7: Any other business to be brought before the Board

Mr. Gaffney indicated there was going to be a presentation about the annuity product at the November meeting. Mr. Reardon indicated he would not be able to attend that meeting, but that his Deputy would be present.

ITEM 8: Adjournment

On motion by Mr. Dumas, seconded by Mr. Briggs, the Board unanimously voted to adjourn at 10:31 a.m.

Next Meeting Date:

The next scheduled VSERS meeting is an in-house meeting on Thursday, November 10, 2011 at 9:00 a.m.

Respectfully submitted,

Monica Chiren
Assistant to Cynthia L. Webster
Secretary to the Board